

(7) The CDR, DARCOM will advise the CIN/CDR, MACOM, to return the bond to Boy Scouts of America.

(8) In the event of unsatisfactory settlement, the proceeds of the bond will be used to satisfy the claim. The Power of Attorney executed in connection with the agreement will be invoked and proceeds collected from the bond (fig. 7-7).

PART 623—LOAN OF ARMY MATERIEL

Sec.

623.1 General.

623.2 Loan policies.

623.3 Submission of requests for loan of Army materiel.

623.4 Accounting procedures.

623.5 Loan of arms and accouterments.

623.6 Reimbursement for loan of Army materiel.

623.7 Reports.

APPENDIX A TO PART 623—EXPLANATION OF TERMS

APPENDIX B TO PART 623—APPROVING AUTHORITY ADDRESSES/TELEPHONE NUMBERS

APPENDIX C TO PART 623—AGREEMENT FOR LOAN OF US ARMY MATERIEL (DA FORM 4881-R)

APPENDIX D TO PART 623—CERTIFICATE FOR SIGNATURE BY AN ALTERNATE (DA FORM 4881-1-R)

APPENDIX E TO PART 623—SURETY BOND (DA FORM 4881-3-R)

APPENDIX F TO PART 623—POWER OF ATTORNEY (DA FORM 4881-4-R)

APPENDIX G TO PART 623—CONTINENTAL US ARMY BOUNDARIES

APPENDIX H TO PART 623—REFERENCES

AUTHORITY: 10 U.S.C. 2571; 31 U.S.C. 686; 10 U.S.C. 2667.

SOURCE: AR 700-131, 45 FR 62038, Sept. 18, 1980, unless otherwise noted.

§ 623.1 General.

(a) *Purpose.* This part sets forth policies and procedures for loan of Army materiel. As used in this regulation, the term “loan” includes a lease.

(b) *Applicability.* (1) This regulation applies to all Department of the Army (DA) agencies, commands, installations, and activities.

(2) This regulation applies to the Army National Guard (ARNG) only when the procedure for the loan of equipment under the procedure of National Guard Regulation (NGR) 735-12 does not apply.

(3) This regulation does not apply to loans governed by the DOD Military Assistance and Sales Manual, DOD 5105.38-M.

(4) This regulation does not apply to loans governed by the Defense Acquisition Regulation (DAR).

(c) *Scope.* This part outlines when loans of Army materiel may be made. It gives general procedures for requesting and processing loans, and sets forth responsibilities, including requirements for reimbursement.

(d) *Explanation of terms.* (1) The terms “loan,” “lease” and “bailment” are contractual terms and are frequently used interchangeably. They have no meaning by themselves. It is necessary to study the statute to see what is required. Usually, a “loan” is thought of as a short-term transfer of property, sometimes with reimbursement; a “lease” is a more formal transfer, often long-term and requiring a fair monetary rental; and a “bailment” is a loosely-used term, generally reserved for a delivery of property to another in trust for the purpose of doing something to the property and then returning the property to the owner. The term “issue” is frequently used in the sense of a transfer of property which will be consumed in use. The terms “gift,” meaning a permanent transfer of property without reimbursement, and “sale,” meaning a permanent transfer with reimbursement, are outside the scope of this regulation.

(2) For additional definitions, see appendix A.

(3) The words “he, him, his” when used in this publication represent both the masculine and feminine genders, unless otherwise specifically stated.

(e) *Loan restrictions.* (1) Army materiel is not normally used for other than the Army’s primary mission; however, under conditions described herein materiel not immediately needed to support mission requirements may be loaned to—

(i) Army and other Department of Defense (DOD) elements.

(ii) Non-DOD Federal departments and agencies.

(iii) Civil governments (State and local).

(iv) Special activities, agencies, and others.

Department of the Army, DoD

§ 623.1

(2) Table 2-1 lists various circumstances where loan of Army materiel might be requested. It identifies the applicable Federal laws or other authority which would authorize such loans.

(f) *Statutory authorities.* There are three basic federal laws which authorize the loan of Army property. There are also numerous specific statutes which authorize particular types of loans in limited situations. Unless there is a reason to use the specific statute, one of the basic statutes will be used.

(1) The following are the basic statutes:

(i) 10 U.S.C. 2571—Authority for loan of property within DOD.

(ii) 31 U.S.C. 686 (The Economy Act)—Authority for loans to other Federal departments and agencies.

(iii) 10 U.S.C. 2667 (The Leasing Statute)—Authority for loans/leases, including leases to activities outside the Federal Government.

(2) Following are some of the specific authorizing statutes:

(i) 10 U.S.C. 331—Federal aid for State governments as result of insurrection.

(ii) 10 U.S.C. 332—Use of militia and Armed Forces to enforce federal authority.

(iii) 10 U.S.C. 333—Use of militia or Armed Forces to suppress interference with state and federal law.

(iv) 10 U.S.C. 2541—Loan of equipment and barracks to national veterans organizations.

(v) 10 U.S.C. 2542—Loan of equipment to the American National Red Cross for instruction and practice.

(vi) 10 U.S.C. 2543—Loan of equipment to US Presidential Inaugural Committee.

(vii) 10 U.S.C. 2544—Loan of equipment and services to the Boy Scouts of America, for national and world jamborees.

(viii) 10 U.S.C. 2572—(See AR 870-20.) Loan of books, manuscripts, works of art, drawings, plans, models, and condemned or obsolete combat materiel not needed to—

(A) A municipal corporation.

(B) A soldiers monument association.

(C) A state museum.

(D) A nonprofit incorporated museum.

(E) Posts of Veterans of Foreign Wars of the USA.

(F) American Legion Posts.

(G) A local unit of any other recognized war veterans association.

(H) A post of the Sons of Veterans Reserve.

(ix) 10 U.S.C. 4308—Establishment and support of civilian rifle ranges.

(x) 10 U.S.C. 4311—Issue of rifles and ammunition for conducting rifle instruction and practice.

(xi) 10 U.S.C. 4651—Issue of arms, tentage, and equipment to support educational institutions that do not have ROTC but maintain a course in military training prescribed by the Secretary of the Army.

(xii) 10 U.S.C. 4652—Loan of rifles and issue ammunition for target practice to educational institutions having corps of cadets.

(xiii) 10 U.S.C. 4653—Issue of ordnance and ordnance stores to District of Columbia high schools.

(xiv) 10 U.S.C. 4654—Issue of quartermaster supplies at educational institutions that maintain a camp for military instruction of its students.

(xv) 10 U.S.C. 4655—Loan of arms and issue ammunition to other agencies and departments of the US Government.

(xvi) 10 U.S.C. 4656—Loan of aircraft and ancillary equipment to accredited aviation schools at which DA or Air Force personnel pursue courses of instruction.

(xvii) 10 U.S.C. 4683—Loan of obsolete or condemned rifles and accouterments to local units of recognized national veterans organizations for certain ceremonial purposes.

(xviii) 10 U.S.C. 4685—Loan of obsolete ordnance to educational institutions and state soldiers and sailors orphans' homes for purpose of drill and instruction.

(xix) 32 U.S.C. 702—Issue of supplies to State National Guard.

(xx) 33 U.S.C. 701n (Pub. L. 84-99 as amended)—Flood emergency preparation; emergency supplies of drinking water.

(xxi) 33 U.S.C. 1251 et seq (Pub. L. 92-500)—Federal Water Pollution Control Act.

(xxii) 42 U.S.C. 5121 et seq (Pub. L. 93-288)—Disaster Relief Act.

(3) Other statutory guidance:

(i) 10 U.S.C. 4307—Authorizes the establishment of a Director of Civilian Marksmanship (DCM).

(ii) 18 U.S.C. 1385—Unlawful use of Armed Forces in local law enforcement.

(iii) 18 U.S.C. 3056 (as amended by Pub. L. 91-651)—Powers and duties of Secret Service.

(g) *Responsibilities.* (1) The Commanding General (CG), US Army Materiel Development and Readiness Command (DARCOM), through the Materiel Readiness Commands' (MRC) commanders, is responsible for loans of materiel controlled by DARCOM wholesale supply points.

(2) Major Army commands (MACOM) CGs and commanders in chief (CINCs) of unified commands (UCOMs) are responsible for loans of materiel from supporting units and installations.

(3) The Director of Military Support, Office of the Deputy Chief of Staff for Operations (ODCSOPS), is the DOD point of contact for the Federal Disaster Assistance Administration (FDAA), other Federal agencies, and the National Red Cross in disaster assistance matters.

§ 623.2 Loan policies.

(a) *Loan and approval policy*—(1) *Basic policies.* (i) Materiel is not loaned to non-DOD activities as a routine procedure. However, materiel in the Army inventory is available for loan for special purposes if approved. Approving authorities are listed in table 2-1; their addresses are in appendix B.

(ii) Loans will be approved or disapproved based on the purpose, duration of the loan, and consideration of the following factors which can take precedence over any loan.

(A) Military requirements and priorities.

(B) Continuity of military operations, troop survival, and the rehabilitation of essential military bases.

(C) Stocks and programed Army requirements. This includes prepositioned mobilization reserve stocks.

(D) Type classification with pending changes.

(E) Minimum diversion of Army stocks.

(F) The adequacy of the borrower's resources. Requesters will be encouraged to use their own resources.

(iii) Loan requests from civilian authorities or activities will normally enter Army channels at the installation or MACOM levels. If on-post or off-post units receive loan requests, they will refer them to unit's supporting installation commander at once. Emergency loan requests will be relayed by telephone or electrically transmitted message.

(iv) When routine handling of a loan request would result in loss of human life, grave bodily harm, or major destruction of property, and when the lack of communication facilities prevents use of normal procedures, loans otherwise permitted by this regulation can be made with local approval. However, normal policy should be followed to the extent possible. If procedural requirements cannot be fully complied with, they must be met as soon as possible after the loan is made.

(v) Army materiel loaned under this part will be delivered to borrower "as is, where is" available.

(vi) Stocks of the least serviceable condition which are still suitable for the loan's purpose will be used. Logistic control code "C" materiel will be loaned before logistic control code "B" materiel. Logistic control code "B" materiel will be loaned before logistic control code "A" materiel. (Ref chap 9, AR 708-1.)

(vii) Commanders of medical treatment facilities (MTF) are subject to all the requirements of this regulation, including the requirement for reimbursement. However, in accordance with AR 360-61 which implements DOD Instruction 5410.19,

(A) Emergency loans of medical supplies (drugs, vaccines, etc.) may not be made without reimbursement, but the loan may not exceed 30 days and the medical supplies must be replaced in kind by the borrowing agency or activity; and

(B) Emergency loans of medical equipment not to exceed 15 days may be made without reimbursement if it is the practice in the community for other hospitals to make such loans.